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**TO: Economic Support Supervisors
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Workforce Development Boards
Job Center Leads and Managers**

**FROM: Janice Peters
W-2 Policy Section
Bureau of Wisconsin Works
Division of Workforce Solutions**

DWS OPERATIONS MEMO

No: 06-29

DATE: 06/06/2006

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other EP	<input type="checkbox"/>		

PRIORITY: HIGH

**SUBJECT: Modification To Notifying Participants Of Payment Reductions And
Case Closures Wisconsin Works (W-2) Policy**

CROSS REFERENCE: 2005 Wisconsin Act 25, s. 49.153, Stats.
Operations Memo 04-34, *Wisconsin Works (W-2) Case Closures*
Operations Memo 05-52, *Wisconsin Works Good Cause Policy Change*
Operations Memo 05-54, *Notifying Participants Of Payment Reductions And Case Closures Policy*

EFFECTIVE DATE: Immediately

PURPOSE

The purpose of this memo is to modify the Wisconsin Works (W-2) policy that requires W-2 agencies to notify participants before reducing payments by 20 percent or more or before terminating a participant's eligibility for W-2. This policy is based on a provision in the state biennial budget legislation, 2005 Wisconsin Act 25. In addition, based on questions the Division of Workforce Solutions has received from the W-2 agencies on this policy, this memo also includes information clarifying how this policy is implemented with existing case closure and good cause policies.

BACKGROUND

There are three reports that identify participants who are on track to have their W-2 payments reduced by 20% or more: *W-2 Cases with 20% or More Benefit Reduction - 1st of the Month* report, *W-2 Cases with 20% or More Benefit Reduction - 16th of the Month* report and the *W-2 Cases with 20% or More Benefit Reduction - W-2 Pulldown* report. Currently, if a participant appears on the *1st of the Month* reports, the agency must notify the W-2 participant of the potential 20 percent or more payment reduction and the reasons for the proposed reduction using the CARES manual letter *W-2 20% PAYMENT REDUCTION LTR* (NWSN) on the first work day following the first time a participant appears on the 1st or 16th of the month reports. Once the manual letter is issued, the agency must then follow up with oral notification within five (5) working days after the mailing date of the written notification.

At initial implementation of this policy, for W-2 participants who appeared on the *W-2 Pulldown* report for the first time and not on the *1st and 16th of the Month* reports, the *Wisconsin Works Payment Statement* (CARES Letter BIL1) served as the written notification. Although this notice informed W-2 participants in writing of their W-2 payment amounts, minus various deductions including deductions for hours missed without good cause, it has been determined that it does not satisfy the notice requirements as outlined in 2005 Wisconsin Act 25, s. 49.153, Stats.

POLICY MODIFICATION

No later than the first working day following the first time a participant appears on the *1st of the Month* report, *16th of the Month* report or the W-2 Pulldown report, the W-2 agency must notify the W-2 participant of the potential 20 percent or more payment reduction and the reasons for the proposed reduction. In order to do so, on the first working day following the first time a participant appears on any of the reports (the *1st of the Month* report, *16th of the Month* report or W-2 Pulldown report) the W-2 agency must issue the CARES manual letter *W-2 20% PAYMENT REDUCTION LTR* (NWSN). The *Wisconsin Works Payment Statement* (CARES Letter BIL1) can no longer serve as the written notification for those that appear for the first time on the *W-2 Pulldown* report. Once NWSN is issued, the agency must then follow up with oral notification within five (5) working days after the mailing date of the written notification.

POLICY CLARIFICATION

There have been many questions regarding how the notification policy for case closures should be implemented in conjunction with other policies such as the W-2 good cause policy described in Operations Memo 05-52 and the closure policies described in Operations Memo 04-34. It has been asked whether one memo supercedes another memo. That is not the case. When appropriate, all policies must be implemented according to the instructions given.

Some of the more common questions include:

Do we have to use the notification policy described in Operations Memo 05-54 for all case closures? No. The notification process outlined in Operations Memo 05-54 is used for case closures that are related to noncooperation with program requirements. In addition to the case closure reasons listed in Operations Memo 04-34 such as failure to complete job search, failure to verify requested information, and employability plan expiration, the notification requirement must be completed for case closures due to noncooperation with child support. It would not include case closures due to residency, SSI receipt, only child or youngest child turning 18 year of age, CMC eligibility ending when a child turns 12 weeks of age (see note

below), etc.. Also, as stated in memo 04-34, the case closure policies do not apply to *nonparticipation* or, participants who fail to participate in assigned activities. Currently, a case cannot be closed for failure to participate in assigned activities. In these instances, payment reductions and strikes must be used.

NOTE ➤ While it is not necessary to follow the notification policies outlined in this memo or Operations Memos 04-34 and 05-54 when a CMC placement ends, a FEP must still contact CMC participants as they approach their CMC end date to discuss employment and supportive service needs once the CMC placement ends. (See Operations Memos 05-02 and 06-11 for more information on ending CMC placements).

Does “rectify the deficiency, failure or other behavior” mean that the person can “make up” hours that are missed? No, it does not necessarily mean that a participant can make up hours missed. In order to rectify payment reductions, the individual can present good cause for the missed hours or, in situations such as a missed EP appointment that could be made up within the 7 working days. For case closures, again, the oral notification allows the FEP to determine if there are any specific good cause reasons or some underlying barriers to explain the noncooperation which led to the case closure. If during a conversation with the participant she says that she will cooperate within the next 7 days, the agency must give her the opportunity to rectify. For example, if the participant could provide verification of information that was previously unverified, attend a meeting that was previously missed, etc., the FEP should allow her to do so within the 7 day timeframe.

After written notice has been distributed, if a FEP makes the required two attempts to orally notify a participant of a 20% payment reduction or case closure but is unsuccessful in reaching the participant, does the FEP still have to wait 7 working days to allow the participant to rectify the deficiency, failure or other behavior? The intent of the policy is to allow a reasonable time to rectify, which DWS has defined as 7 working days. Regardless of whether the person says she will cooperate within those 7 working days, the FEP must wait the full 7 days.

With regard to a case closure due to an expired employability plan, is the appointment notice that is sent to the participant scheduling the EP development meeting (as instructed in Ops Memo 04-34) sufficient to meet the written notification policy outlined in memo 05-54? No, the notice scheduling the EP meeting is only notifying the participant that the case may close if the participant does not attend the meeting. As instructed in memo 04-34, if the participant fails to attend the meeting, the FEP must close the case using the case closure instructions provided in the memo. The closure letter that is generated by following the instructions in memo 05-54 serves as the written notification.

Operations Memo 05-52 says that we may extend the verification due date for up to 30 days from the date the verification is requested. Operations Memo 05-54 states seven working days. Which is it? W-2 policy allows an agency to extend verification due dates for up to 30 days from the date of request. However, under the notification policy explained in Operations Memo 05-54, the agency is required to give the participant up to 7 working days to rectify. The agency is not required to extend the due date.

In order to assist agencies in understanding how the three policies work together, below are some examples.

Example 1: A participant failed to verify school enrollment for her son. Prior to initiating the case closure, the FEP first took the steps outlined in Operations Memo 04-34 to explore potential barriers that may be interfering with a participant's ability to cooperate. Finding no barriers, the FEP initiated the case closure and called the participant within 5 working days of the Notice of Decision being mailed. The customer did not have a good cause reason for not verifying the information the first time and still the FEP did not discover any underlying barriers interfering with a participant's ability to cooperate. However, the participant said that she could get the information by the end of that week, which she did. The FEP then took action in CARES which prevented the case from closing.

Example 2: A participant failed to send in her current bank statement. Prior to initiating the case closure, the FEP first took the steps outlined in Operations Memo 04-34 to explore potential barriers that may be interfering with a participant's ability to cooperate. Finding no barriers, the FEP initiated the case closure and called the participant within 5 working days of the Notice of Decision being mailed. The customer did not have a good cause reason for not verifying the information the first time and still the FEP did not discover any underlying barriers interfering with a participant's ability to cooperate. The participant said that she could get the information by the end of that week but failed to do so, even within 7 working days. The FEP allowed the case to close on the effective date indicated in the Notice of Decision. The FEP does not need to take any further action on the case with regard to the notification process as that process was already complete.

Example 3: Participant is transferred to a new W-2 agency. The FEP, upon review of the case, notices that the EP is due to expire within the month. The FEP sends the participant an appointment notice for a mandatory employability plan review. The appointment notice clearly indicates that the EP is expiring and that if the participant does not appear for the appointment, eligibility for W-2 will end. This appointment is scheduled for 10 days prior to the current EP expiration date. The participant did not appear for the scheduled appointment. Deciding to close the case, the FEP first took the steps outlined in Operations Memo 04-34 to explore potential barriers that may be interfering with a participant's ability to cooperate, initiated the case closure according to the instructions in memo 04-34 and attempted to contact the participant two times with no success. The case then closed for noncooperation.

TWENTY PERCENT REDUCTION REPORTS UPDATE

Based on comments from the W-2 agencies, the Division of Workforce Solutions (DWS) is considering changes to the three reports referenced above. In order to meet the needs of the agencies, this topic will be discussed once the W-2 Reports Users Group reconvenes. In the meantime, new comments or suggestions on updating the reports can be sent to Bonnie Nagel at bonnie.nagel@dwd.state.wi.us

CONTACTS

For Policy Related Questions: BW-2 Regional Office Staff

For CARES Processing Questions: BHCE CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.
DWD/DWS/BW-2/MMM